GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:478
ANSWERED ON:26.04.2002
REVENUE DEFICIT OF STATES
SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have decided to permit the State Governments for taking structural adjustment loans from World Bank in order to overcome revenue deficit of the States; and

(b) if so, the details of those States which have been granted permission so far?

Answer

FINANCE MINISTER (SHRI YASHWANT SINHA)

(a) & (b): No Sir. State Governments are not allowed to directly borrow from World Bank. However, Government of India, in the instance of three States, has taken World Bank assistance to supplement the resources required for fiscal reforms in these States. This amount is passed on to the States as Additional Central Assistance. The States which have availed of such assistance are Uttar Pradesh, Karnataka and Andhra Pradesh .